Subject No. 5. Octroi.

Summary of discussion.—Octroi is now levied in some Municipalities only. Merchants in these Municipalities are thus at a disadvantage compared with merchants trading in places where the tax does not exist. Articles on which duty is paid in one place are often not sold there, but have to be taken for sale elsewhere.

Messrs. Nanjunda Rao (Landholder and R. M. from Davangere Taluk) and Sadasiva Rao (Pleader and R. M. from Dodballapur Municipality).—It might be extended to all Municipalities, but not throughout the Province.

Mr. Rangaiengar (Landholder and R. M. from Krishnarajpet Taluk).—Yes, but at different rates according to the circumstances of each Municipality.

The Rev. Mr. Rees (Wesleyan Missionary and R. M. from Tumkur Municipality).—Octroi on country cloth in addition to Loom tax is unjust.

Messrs. Rangaiengar (Landholder and Contractor and R. M. from Heggaddevankote Taluk) and Nandagudi Ramanna (Landholder and R. M. from Bangalore District Local Fund Board).—Better have it throughout the Province as before or nowhere at all.

Mr. Hafizullakhan (Hakim and R. M. from Bangalore City Municipality).—Properly speaking Octroi should be levied at places of consumption only all over the country.

Dewan's reply.—What existed throughout the Province at one time was Sayer, which is quite different from Octroi or Town duty and should not be confounded with it. For funds required for local Municipal purposes a tax is levied on selected articles of consumption, and this is Octroi, whereas, Sayer is a tax on produce and is levied at place of production. Thus Octroi is necessarily limited to towns, and its extension all over the Province is undesirable. A system of refunds and drawbacks on articles re-exported should be prescribed and duly enforced.

Subject No. 6. Supari, Halat, and Garden Assessment.

Summary of discussion.—The Halat (Sayer) on arecanut should be abolished. It is an abomination. Let the land assessment remain, heavy though it is. The trouble and worry from Government Officials necessarily arising under the Halat system are intolerable. The crop must be inspected by a Patel. It must be estimated by him. It must be harvested in his presence. It must be accounted for to him. Not a nut may be sold without the Manegar. The grower should consume only what is allowed for his consumption. What he eats of his own produce must thus be accounted for, and the Deputy Commissioner's permission must be obtained for eating more. Was ever such hardship heard of? The foreign grower may however import with freedom. It is the Sahukar's and the Suttigedar's interest

to have the Halat kept on, as the trade is thereby confined to them. Abolish theHalat and the raiyat will be emancipated from the thraldom of the Sahukar.

Mr. Srinivasa Rao (Coffee Planter and R. M. from Chikmagalur Taluk) spoke to the same effect, and added that the evils of the Halat system were so great that even traders in Supari wished it to be abolished. The system placed great restrictions on them and placed obstacles on freedom and rapidity of trade. For one thing, the Manegar was seldom found when most needed to receive duty and grant a permit. It is always easier to see the Dewan than to see the Manegar.

Messrs. Puppanna Setti (Merchant and R. M. from Chikmagalur Taluk), Javali Vittalaiya (Merchant and R. M. from Tirthahalli Taluk) and others followed in the same strain. *Mr. H. Sitarama Sastri* (Land holderand R. M. from Koppa Taluk) stated that there need be no question as to whether abolition of Halat or reduction of assessment would benefit the raiyat. As a matter of fact, one would benefit him quite as well as the other. As between the two, abolition of Halat was preferable as it would save the raiyat and the merchant from the worry of Government servants and the restrictions on freedom of sale which the system imposed.

Mr. Javali Vittalaiya (Merchant and R. M. from Tirthahalli Taluk) spoke in support of the opposite view and stated that the Halat adapted itself to the quantities grown, so that the raiyat paid more when the crop was good and paid less when the crop was bad. Trade in a few hands helped to keep up the selling price of the arecanut so that, if the Halat were abolished, every grower would sell and the price would fall.

Messrs. Puppanna Setti *(Merchant and R. M. from Chikmagalur Taluk)* and Subbaiya (Coffee Planter and R. M. from South Mysore Native Planters' Association) controverted this view and stated that with many small and retail dealers which the growers would become, the market would not be glutted, as it often now is, under a system of wholesale traders. Thus, there is every likelihood of the price being maintained at a high level even if the existing restrictions on trade be removed. However that might be, they would point to the case of coffee. There was Halat on coffee for a long time. But by its abolition it is not only that neither grower nor trader nor Government have lost, but all three have gained. *Mr. Kadaba Ramanujaiengar (Landholder and R. M. from Gubbi Taluk)* and *Mr. Seshabhattara Ramanna. (Landholder and R. M. from Tumkur Taluk) and Mr. Hafizullakhan (Hakim and R. M. from the Bangalore City Municipality)* followed to the same effect. The *Dewan* here remarked that the abolition of the Halat

involved a great sacrifice of Revenue and reminded the speakers of a proposal which had been placed before them once before, *viz.*, to reduce the assessment and raise the Halat to a higher rate, and asked them to understand that by a reduction of assessment was meant an assimilation of Garden land rates with those of Wet lands similar and similarly situated, which meant a considerable reduction, and in that case the Halat being on the quantity produced would vary with the produce and adjust itself to the character of the seasons. In reply, those who had spoken against the Halat still adhered to their views and explained that, heavy though the assessment was, they had got used to it and assessment before survey had been heavier still. But the restrictions on freedom of trade and interference of Government officials was what pained most, and this would continue all the same under the plan referred to. *Mr. Nadig Sivappa* suggested a system of Toll-bars and Tolls as a means of recouping Government for the loss which it might incur by abolishing the Halat.

Dewan's reply.—Any system of Garden Settlement, however carefully worked out must produce inequalities in a series of years. One garden must be highly assessed because it is in a flourishing condition at the time of classification and another lightly assessed because it is not in a flourishing condition then; any such settlement to be equitable necessarily involves a frequent revision of classification which would be quite as distasteful to you as the present interference of the Government officials which you complain of. I shall have a conference with you and other Malnad raiyats separately on this subject.

Subject No. 7.

Enhancement of asssesment on dry lands irrigated by private wells.

Summary of discussion.—It has been ruled that the assessment will not be enhanced in the case of dry lands irrigated by wells constructed by raiyats from loans obtained from Government. This should apply also to Bagayat lands irrigated by wells constructed without the help of such loans.

Dewan's reply.—This suggestion is based on a misapprehension. Rules exist to the same effect, as regards new Bagayat.

Subject No. 8.

Movable property to be first sold for arrears of Land Revenue.

Summary of discussion.—Mr. Ramaswamaiengar (Vakil and Representative Member from Anekal) suggested that the rule directing that the land on which arrears of Revenue accrue, should be first proceeded against, was harmful to the raiyat and that the movable property of the defaulter should be first attached and sold, and that Government revenue would thereby be more expeditiously collected.

Dewan's reply.—The present rule is preferred by the raiyat and is more beneficial to him as involving less hardship. It is evident you don't express the raiyats' feelings in this matter.